

Document #4948

9/10/87

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: FINAL DESIGNATION OF BOSTON NEIGHBORHOOD HOUSING SERVICE, INC., AND PROPOSED DISPOSITION OF ASSESSOR'S PARCELS IN MISSION HILL, NO. 1290 and 1317

Whereas, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or nation origin; and

Whereas, Boston Neighborhood Housing Services, Inc., has expressed an interest in and/or has submitted a satisfactory proposal for the development of Accessor's Parcel No. 1317 and No. 1290 in the Mission Hill area; and

Whereas, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Boston Neighborhood Housing Service, Inc. be and hereby is finally designated as Redeveloper(s) of Parcel No. 1317 and No. 1290 in the Mission Hill area.
2. That it is hereby determined that Boston Neighborhood Housing Service possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Plan for the project area.
3. That disposal of said Parcels by negotiation is the appropriate method of making the land available for redevelopment.
4. That in reference to variances and conditional uses which are required in order to effectuate the project, the Authority recommends to the Board of Appeal approval of the 17-unit development subject to design review approval.
5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.
6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Land Disposition Agreement and Deed conveying Parcel No. 1317 and No. 1290 to the Boston Neighborhood Housing Service,

Inc., said documents to be in the Authority's usual form, and to include any terms and conditions in said document that the Director deems appropriate and in the best interests of the Authority.

7. That the Director, be and hereby, is authorized to execute and deliver a License Agreement with Boston Neighborhood Housing Service, Inc. for early entry to perform site work. Furthermore, said License Agreement shall include the additional provisions that the Authority receive primary insurance coverage.
8. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

MEMORANDUM

SEPTEMBER 10, 1987

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: LARRY KOFF, COORDINATOR FOR
INSTITUTIONAL PLANNING
RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: FINAL DESIGNATION OF THE BOSTON NEIGHBORHOOD HOUSING
SERVICE, INC. FOR BOSTON REDEVELOPMENT AUTHORITY-OWNED
PROPERTIES AT LAWN AND WENSLEY STREETS, MISSION HILL

EXECUTIVE

SUMMARY: The Boston Neighborhood Housing Service, Inc. requests final designation in order to construct 17-owner built homes. Staff reviews of financing, design and fair housing guidelines have been completed; prospective owner builders are being interviewed; and construction is anticipated to begin in October.

On July 17, 1986, the Authority granted tentative designation to the Boston Neighborhood Housing Service, Inc., to develop 17 single-family units of affordable housing.

The vacant BRA-owned parcels are located in the Mission Hill area, Parcel no. 1317 at Wensley Street and Fisher Avenue consists of approximately 16,352 square feet. Eight owner-built homes would be constructed on this site. Parcel No. 1290, located at Lawn and Bucknam Streets, consists of approximately 25,740 square feet. Nine units are proposed on this parcel. A portion of the site would be reserved for open space.

The units will consist of 1,500 square feet, two-bedroom single-family attached dwellings each three stories in height with an unfinished attic for expansion space. Parking will be provided in a basement garage for 7 units; an additional 10 spaces will be provided at grade. The estimated sales price of a unit is \$78,000.

BRA design staff have reviewed and approved both the schematic and design development drawings and, subject to design review, recommend approval of the project. The housing staff have favorably reviewed the pro forma analysis and financing commitments. The Fair Housing Commission has approved the developer's selection process for buyers. The owner selection process has involved advertising in local and city newspapers, applications and interviews with qualified owners. A lottery

will be held to select those buyers who are qualified and willing to work 40 hours a week in a sweat equity program throughout the construction process.

A Land Disposition Agreement is being prepared which includes provisions which address two concerns of the Authority. The Boston NHS intends to sell to an abutter a 507-square-foot parcel of land for off-street parking. The terms for this sale would be those upon which NHS acquired the property from the Authority. BRA would retain design review of the disposition parcel and parking plan.

Secondly, a portion of the site on Lawn Street near the intersection with Wensley Street has been identified as a conservation area. A natural spring will be retained and the area landscaped for the benefit of the residents. The Authority, likewise, will retain design review approval of the plans and approval of the terms upon which this parcel will be conveyed to a land trust for the maintenance of this open space.

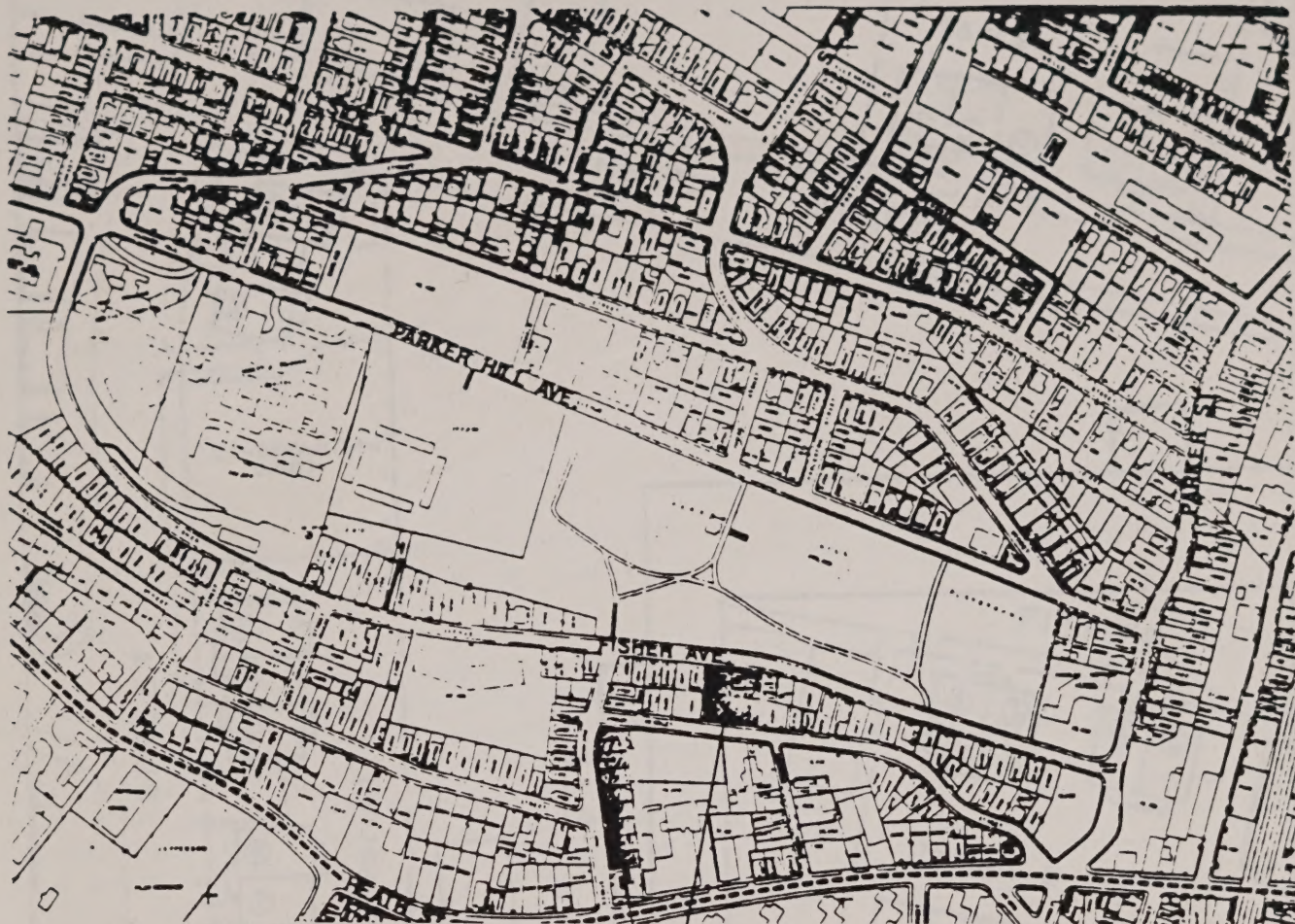
The Boston Neighborhood Housing Services, Inc. is the developer and Steven Flax is the architect.

The developer has applied to the Zoning Board of Appeal to seek relief from various dimensional violations including setback, height, and F.A.R. (the project is located in an R-.8 district) as well as use violations (six of the residential structures are to be located in an M-1 district in which single-family dwellings are forbidden). A hearing is to be held on September 24.

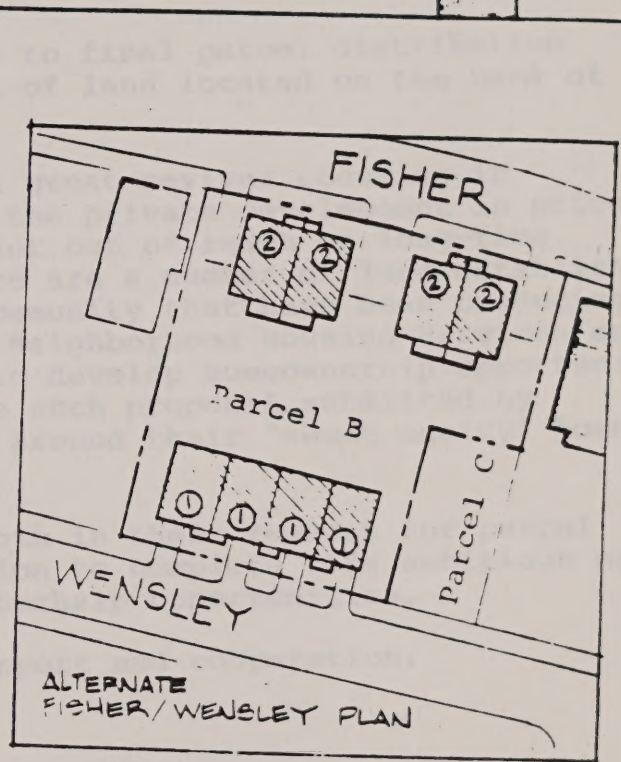
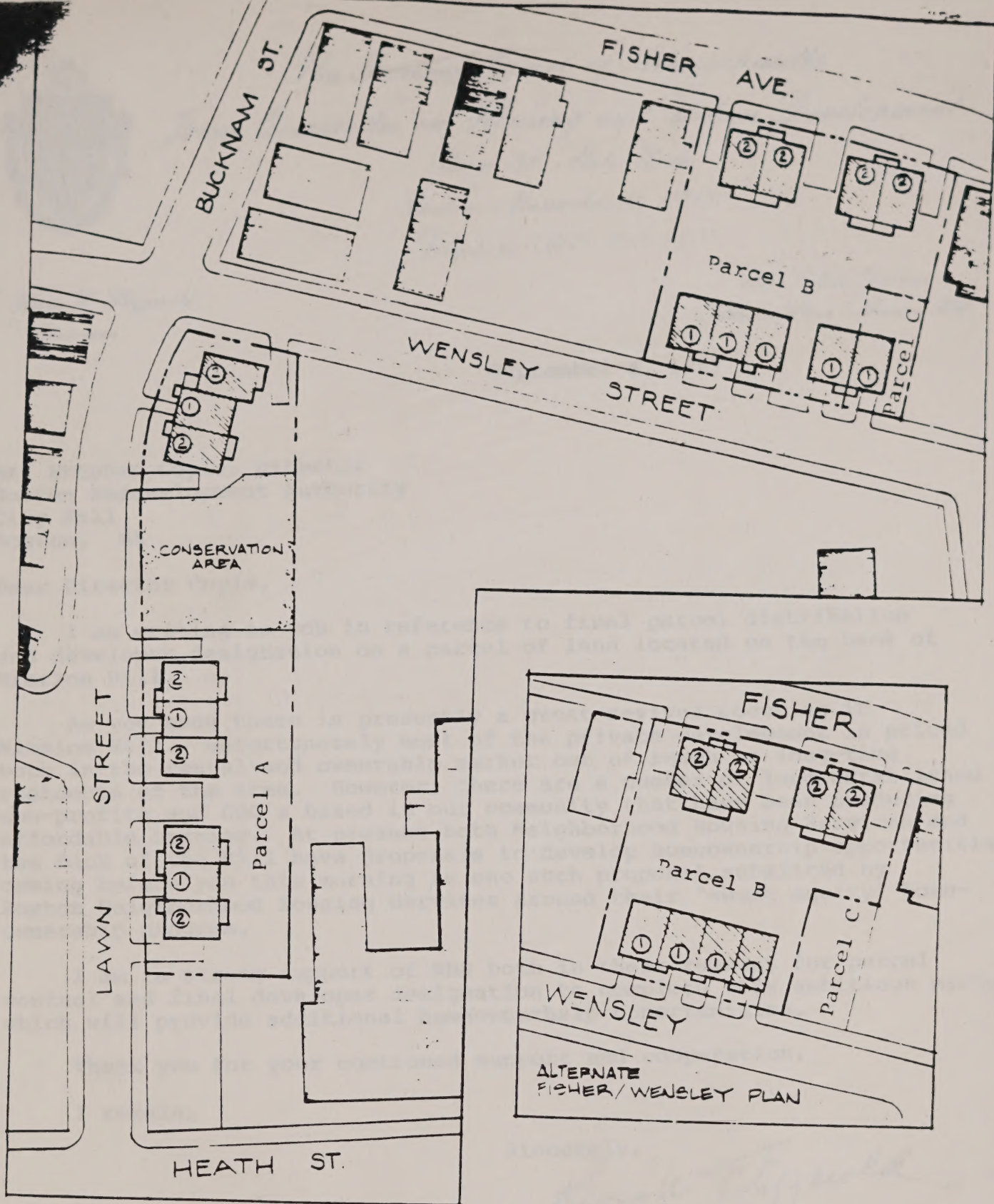
Letters of support and financing commitments from MHFA, the Massachusetts Housing Partnership and the First American Bank for Savings are attached.

It is therefore recommended that, to facilitate the development of said project, the Authority grant final designation to the Boston Neighborhood Housing Service, Inc., as developers for the BRA properties at Lawn and Bucknam Streets and Wensley Street/Fisher Avenue and that the Director be given authority to execute the Deeds and agreements necessary to effectuate the sale of assessor's Parcels 1317 and 1290 and to carry out the parking and open space plans for the area. An appropriate vote follows.

LOCATION MAP



Proposed NHS Owner-Built Housing
Program Sites



- ① Indicates Type 1 Floor Plan
- ② Indicates Type 2 Floor Plan

SITE PLAN



The General Court of Massachusetts
Joint Committee on Housing and Urban Development
Room 38, State House
Boston, Massachusetts 02133
Telephone (617) 722-2470

Rep. Kevin W. Fitzgerald
Chairman

17th Suffolk District
Jamaica Plain / Mission Hill

September 8, 1987

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
City Hall
Boston, MA

Dear Director Coyle,

I am writing to you in reference to final parcel distribution and developer designation on a parcel of land located on the back of Mission Hill.

As you know there is presently a great revival occurring in Mission Hill. Unfortunately most of the private developemnt is priced both in the rental and ownership market out of reach on long-time residents of the area. However, there are a number of long established non-profits and CDC's based in our community that have been producing affordable housing. At present both Neighborhood Housing Services and the Back of the Hill have proposals to develop homeownership opportunities. coming before you this morning is one such proposal submitted by Boston Neighborhood Housing Services around their "sweat equity" homeownership program.

I am in strong support of NHS both in their request for parcel control and final developer designation to complete this ambitious project which will provide additional homeownership opportunities.

Thank you for your continued support and cooperation.

I remain,

Sincerely,

A handwritten signature in cursive script that reads "Kevin W. Fitzgerald".

KEVIN W. FITZGERALD
State Representative



Boston City Council

David Scondras

District 8

725-4225

September 9, 1987

Mr. Stephen Coyle
Boston Redevelopment Authority

Dear Mr. Coyle, *Steve*

I am writing to express my support for Boston Neighborhood Housing Service's request to receive final developer designation of Parcel 1317 and 1290, owned by the BRA.

As you know, Boston and Mission Hill Neighborhood Housing Services have been working to implement an owner built housing project. Few community development corporations are as well prepared to carry out such an exciting project. The proposed seventeen homes will further the city's goal of creating affordable housing. But, also, the owner built approach will strengthen the fabric of the neighborhood.

I appreciate the work your staff has done in reviewing this project and look forward to its approval by the BRA Board.

Thank you for your consideration.

Yours truly,

David Scondras
David Scondras

DS:EC:ec

RECEIVED JUL - 5 1985

NEIGHBORHOOD REINVESTMENT CORPORATION
NEIGHBORHOOD PROGRAM DEVELOPMENT
AGREEMENT

This Agreement, between the NEIGHBORHOOD REINVESTMENT CORPORATION ("NEIGHBORHOOD REINVESTMENT"), a non-profit, non-government corporation chartered by Congress and NEIGHBORHOOD HOUSING SERVICES OF BOSTON, ("NHS OF BOSTON") PROVIDES AS FOLLOWS:

OWNER BUILT HOUSING PROGRAM

The Owner Built Housing Program is to be developed as an additional component to the basic core services offered by NHS OF BOSTON. The program will be designed to assist low-to-moderate income families in building their own homes at costs they can afford through counseling, training and supervision. The program must be developed in areas of NHS OF BOSTON, where increased homeownership will positively affect improvement and maintenance of the living environment.

Program emphasis should include the following:

1. Working with the NHS OF BOSTON Board, Committees, staff and other partners to shape the program.
2. Identifying families capable of and interested in constructing and owning suitable housing.
3. Negotiating with owners to encourage sale of vacant land suitable for housing.
4. Counseling families on steps and procedures for home purchase, financing, construction, maintenance and property management.
5. Marshalling low equity mortgage loan resources.
6. Providing construction training courses to families undertaking home building.
7. Providing construction supervision and inspection services.
8. Developing a marketing campaign.
9. Increasing staff technical capabilities and NHS OF BOSTON range of services.

REPORTS

NHS OF BOSTON shall provide information on the operation of this program and assistance in the development of similar projects in other cities to NEIGHBORHOOD REINVESTMENT and, upon its request, to its other grantees and contractors. Such information and assistance shall include:

1. Cooperation with NEIGHBORHOOD REINVESTMENT in the collection, evaluation and dissemination of information concerning the Owner Built Housing Program;
2. Preparation of reports on the Owner Built Housing Program as may be reasonably requested by NEIGHBORHOOD REINVESTMENT; and
3. Provision of assistance to other cities in replicating the Owner Built Housing Program as mutually agreed upon by NHS OF BOSTON and NEIGHBORHOOD REINVESTMENT.
4. Regular and current receipt of Monthly Financial and Activity Reports by Neighborhood Reinvestment for which grant draw disbursements will be attached.

ROLE OF NHS OF BOSTON

Through the NHS OF BOSTON Board of Directors, NHS OF BOSTON will ensure that the implementation of the Owner Built Housing Program will be coordinated with the operations of the NHS. In addition, NHS OF BOSTON agrees to:

1. Provide assistance in developing the Owner Built Housing Program.
2. Support integrating the Owner Built Housing Program with the basic mission and core services of NHS OF BOSTON.
3. Employ staff to develop and operate the program and seek additional sources of support for program operations.
4. Establish an advisory committee to design and guide the program.
5. Encourage the participation of individuals who may or may not be currently affiliated with NHS OF BOSTON.
6. Provide technical assistance and supervise the construction of at least five Owner Built Housing units.
7. Require the Executive Director and Owner Built Housing staff to participate in a training program implemented by the Neighborhood Reinvestment/Owner Built Housing staff.

8. Outline a fund raising strategy for the NHS Administrative budget that incorporates the Owner Built Housing Program into the overall fund raising drive,
9. Permit NEIGHBORHOOD REINVESTMENT to monitor the Owner Built Housing Program on a regular basis.

ROLE OF NEIGHBORHOOD REINVESTMENT

NEIGHBORHOOD REINVESTMENT, at the request of NHS OF BOSTON provide the following services to NHS OF BOSTON in the development of the Owner Built Housing Program.

1. NEIGHBORHOOD REINVESTMENT can participate in securing the interest and support of relevant institutions and individuals; including but not limited to residents, officials and representatives of financial institutions, local, state and federal government, educational institutions and technological schools and business persons.
2. NEIGHBORHOOD REINVESTMENT can conduct an educational process to acquaint participants with the concept and the operational details of the program. The process will include:
 - (a) An assessment for lenders, residents, city representatives, Board members and NHS staff, and others to discuss the roles and responsibilities of each partner, and insure a willingness on the part of the whole group to proceed.
 - (b) A workshop to develop a progress report, plan for future activity and re-affirm the group commitment to continue.
3. NEIGHBORHOOD REINVESTMENT can work with NHS OF BOSTON staff to ensure smooth operation of the program and offer technical support in such areas as financial management, construction bid-letting and monitoring, community marketing, land acquisition and program management.
4. NEIGHBORHOOD REINVESTMENT can offer Pre-Construction and Construction training to NHS OF BOSTON staff assigned to the Owner Built Housing program.

5. NEIGHBORHOOD REINVESTMENT can provide on-going information and technical assistance to the program.
6. NEIGHBORHOOD REINVESTMENT agrees to provide NHS OF BOSTON a grant in an amount not to exceed \$75,000 to support the costs of the development of the Owner Built Program. The total amount of the grant will depend on the number of units that NHS OF BOSTON plans to build; NEIGHBORHOOD REINVESTMENT will provide \$7,500 for each unit NHS OF BOSTON commences to build for at least five (5) units. The grant funds shall be expended in accordance with the attached budget which is expressly made a part of this Agreement as Attachment A.

PAYMENT SCHEDULE

Upon request of NHS OF BOSTON Board of Directors, and upon recommendation of NEIGHBORHOOD REINVESTMENT staff, payments shall be made as follows:

- | | |
|---------|--|
| \$7,500 | upon execution of the Agreement; |
| \$5,000 | per unit (up to a maximum disbursement of \$50,000 for ten units) upon NEIGHBORHOOD REINVESTMENT'S receipt of copies of land acquisition agreements and building permits for the number of units NHS OF BOSTON plans to build and after NEIGHBORHOOD REINVESTMENT receives verification that the Construction Manager has been hired and the qualified Owner Built Housing families have been approved for financing, and after receipt of current Monthly Financial and Activity Reports; |
| \$4,500 | plus an additional \$2,500 per unit for each unit over five (up to a maximum disbursement of \$17,000 for ten units) after a favorable monitoring review by NEIGHBORHOOD REINVESTMENT which is expected to occur approximately 120 days after the second disbursement, and after receipt of current Monthly Financial and Activity Reports; and |
| \$500 | upon NEIGHBORHOOD REINVESTMENT'S receipt and approval of a final financial accounting and a final Owner Built Housing Activity Report in the form and detail requested by NEIGHBORHOOD REINVESTMENT. |

TERMINATION

If the development phase of the program exceeds 12 months from execution of this agreement and/or insurmountable difficulties are encountered in successfully implementing the Owner Built Housing Program, NEIGHBORHOOD REINVESTMENT may terminate this Agreement and NHS OF BOSTON shall return all expended funds except that NHS OF BOSTON may retain such funds as shall be necessary to meet the salary and related expenses already incurred or unavoidably committed as of the date of termination.

GENERAL TERMS AND CONDITIONS

The NHS OF BOSTON agrees to comply with the attached General Terms and Conditions, which are made a part of this Agreement.

IN WITNESS WHEREOF;

NEIGHBORHOOD HOUSING SERVICES OF BOSTON

BY: _____

Kelly Farquharson
President

DATE

NEIGHBORHOOD REINVESTMENT CORPORATION

BY: _____

William A. Whiteside
Executive Director

DATE



Massachusetts Housing Partnership

100 Cambridge Street
Boston, Massachusetts 02202
(617) 727-7824

December 15, 1986

Raymond L. Flynn, Mayor
City Hall
Boston, MA 02108

Dear Mayor Flynn:

I am pleased to inform you that the Massachusetts Housing Partnership (MHP) has approved the Mission Hill Owner-Built project for financing through the Homeownership Opportunity Program component of the MHP. As part of this commitment, the HOP Program will provide below market interest rate mortgages to first-time homebuyers through the Massachusetts Housing Finance Agency (MHFA), and will further reduce the interest rates on a portion of these units for eligible moderate income purchasers to 5 1/2%.

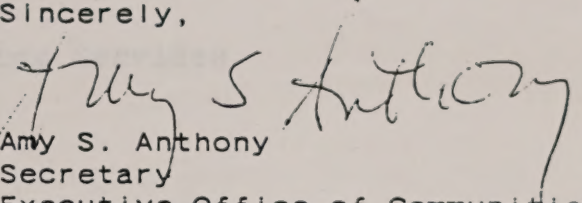
The financing provided through the Homeownership Opportunity Program will be available for all of the 18 units that will be developed as part of this project; assuming that there is an adequate number of eligible homebuyers.

This financing is contingent upon the submission of a MHFA Commitment Application (which will be sent to you under separate cover), final approval of the project by the MHFA Board, and acceptance of all other program requirements (including deed restrictions on HOP-funded units and an approved marketing plan).

I look forward to working with you on this project, and to the successful completion and sale of these affordable housing units. In the meantime, should you or any of your

staff have any further questions, please contact Tom Gleason,
Director of the Homeownership Opportunity Program, at 617-727-
7824.

Sincerely,


Amy S. Anthony
Secretary
Executive Office of Communities
and Development

Co-Chair
Massachusetts Housing
Partnership

cc: Tom Gleason; HOP
Ed Calnan; MHFA
Thomas Harden; Boston
James Hoffman; Mission Hill NHS

CHARLESBANK HOMES

Founded in 1911 by Edwin Ginn

117 Woodland Road
Chestnut Hill, Mass. 02167

June 2, 1987

Mr. Buddy Baker-Smith
Director of Development
Boston Neighborhood Housing Services
33 Harrison Avenue
Boston, Mass. 02111

Dear Mr. Baker-Smith

Thank you for your call this morning regarding the BNHS request of February 12, 1987 for a grant of \$30,000 for land acquisition and construction costs related to BNHS' Owner Built project in Mission Hill.

As I indicated to you, the trustees of Charlesbank Homes at a recent meeting voted to approve your request on the condition that the funds will be paid to BNHS at the time construction is begun on your project. You indicated that this would probably take place early in September 1987.

Please let me know when construction does begin, and we will be glad to transmit the funds voted by our trustees.

Mr. Cornu and I enjoyed very much our visit with you and Mr. Hoffman at 1530 Tremont Street on May 27, 1987 and were impressed with the work you have done to date.

We wish you success as you move in to the realization phase of your project.

Sincerely,

Edward D. Rowley
Edward D. Rowley
President



May 12, 1987

Boston Neighborhood Housing Services
33 Harrison Avenue
Boston, MA 02111

RE: Mission Hill Owner-Built Project

Gentlemen:

We (the "Lender") are pleased to report to you (the "Borrower") that our Loan Committee has approved your request for a first mortgage loan on the subject property. The terms and conditions of this approval are as follows:

Loan Amount: The total balance of the first mortgage loan will be \$1,460,000.

Interest Rate: 1st American Bank Prime plus ~~2%~~ 1.5%. *per*

Monthly Payments: Interest only paid monthly commencing 30 days after closing.

Loan Term: Eighteen (18) months.

Assignment of Commitment: This commitment is not assignable through operation of the law or otherwise except to an entity that the Borrower may select for the purpose of holding title in his behalf. The Lender reserves the right to approve the type of entity used for this purpose.

Security: There will be a first mortgage covering the land and improvements thereon located at Mission Hill, Boston, Massachusetts. A chattel mortgage (with recorded UCC-1's) will be granted on all ~~xxxxxxxxxx~~ construction materials, fixtures, and equipment (except those belonging to the non-affiliated tenants) with an "after acquired clause." *no*

Holdback: There will be a holdback in the amount of \$1,460,000 for construction funds. The holdback funds will be released * upon notice to the Lender that the proposed improvements have been completed, and subject to the Lender's inspection and approval. All take downs of the holdback funds will be requested on proper A.I.A. documents certified by an architect selected by borrower and approved by lender.

*insert "on a monthly basis as work is completed,"

Boston Neighborhood Housing Services

May 12, 1987

Page 2

Funding Control: All inspections of the project as well as disbursement of construction funds will be responsibilities of ~~Contractors~~ ~~Funding Control~~ ~~520 Stiles Road~~ ~~8200~~ ~~Ken Perry Associates~~ ~~03019~~ ~~telephone~~ ~~1603~~ ~~823-1554~~ ~~Steve Kaplan~~ Borrower agrees to pay "Controls" fee which will generally amount to 1% of hard costs. u

Retainage: The Lender stipulates that at the time of each said advance, it shall retain 10% of the amount of each requisition. This retainage will be released upon receipt by the Lender of an architect's certificate that the subject property has been completed in accordance with the plans and specifications previously furnished to the Lender. Said release of Retainage funds will be released to the Borrower in a manner which is in accordance with the usual practices of construction loan lenders.

Points: As an inducement for the Lender's willingness to grant this mortgage request, the Borrower agrees to pay a fee in the amount of 2 points (2%) of your mortgage amount (\$29,200). ~~Your check for this fee is to accompany your signed acceptance of this commitment letter and is non-refundable whether or not this loan closes~~ ps Points will be paid out of the original loan amount and financed over the term of the loan.

Survey: A survey of the mortgaged premises establishing that all improvements are within the title lines. The survey shall be subject to the approval of the Bank, certified to the Bank by a registered land surveyor approved by the Bank, dated not more than 30 days prior to the disbursement and in compliance with the requirements of the ALTA. The survey shall include the total square footage of the land area, and a certificate as to whether or not the premises be within a flood zone.

Legal: The title, leases, evidence of indebtedness, and all security documents must be acceptable to our attorney Jerome D. Groskind, 6 Beacon Street, Boston, MA 02109, who will arrange for the loan closing. By acceptance of this commitment, the Borrower hereby offers and promises to pay our attorney for his fees and expenses incurred whether or not the loan closes. ~~evidence of good faith, Borrower hereby remits his check to xxxxxxxxxxxxxxxxxxxxxxx attorney's fees representing an advance for the legal fees~~ As ps At the time of closing, a title insurance policy acceptable to the Lender must be provided by the Borrower. Attorney fees and expenses shall be paid out of the original loan amount and financed over the term of the loan.

Insurance: The Borrower will keep the property insured against fire with extended coverage, ~~rent loss~~, and other hazards in the amount, form and companies satisfactory to the Lender, naming Lender first loss payee, and shall deposit the insurance policies with the Lender.

Financial Statements: Borrower will submit to Lender financial statements within 90 days of each fiscal year end. Such statements will be prepared by an independent accountant satisfactory to Lender. Included in the statements, but not limited to, will be balance sheet, income and expense, and pertinent notes.

Certain Closing Prerequisites: A. The Borrower, its assignee, or its successor in title has not made an assignment for the benefit of the creditors or has not declared bankrupt or insolvent. B. The property is undamaged by fire or other casualty. C. The mortgage is to be a valid first lien without any condition or right of re-entry or forfeiture under which such lien can be cut off, subordinated, or otherwise disbursed, subject to provision

of the Boston Redevelopment Authority Land Disposition Agreement which shall be acceptable to the lender. Broker Fees and Commissions: Lender shall not be required to pay any premium or after charge, or any brokerage fee or commission or similar compensation in connection with this transaction, and broker's acceptance hereof shall constitute Borrower's agreement to defend, indemnify and hold the Lender harmless against and from any and all claims of the nature specified herein.

Late Charge Provision: The mortgage instrument will contain a provision whereby if the monthly payment shall not be paid within five days of the due date thereof, a late charge of 5% of the amount due will be assessed.

Mortgage Demand Clause: If, without the Lender's approval, the ownership of the secured property should be transferred so that the Borrower is no longer in control of the property, the loan shall become due and payable forthwith at the option of the Lender; however, the Lender shall not be unreasonable in denying approval of a generally qualified transferee. If the property should be encumbered with a junior lien, without the Lender's prior approval, the loan shall become due and payable forthwith at the option of the Lender.

Endorsements: ~~The mortgage shall be endorsed personally, jointly and severally by Boston Neighborhood Housing Services.~~ *ms*

Fair Credit Reporting Act: In compliance with Public Law 91-508, this notice is to inform you that in connection with your application for a loan, we may make an investigative consumer report to determine information as to your character, general reputation, personal characteristics and mode of living. This information may be obtained through personal interviews with your friends, neighbors or others with whom you are acquainted. Additional information as to the nature and scope of any investigation requested will be furnished to you upon request made within a reasonable time after you have received this letter.

Upon completion of the property, an
Smoke Detector and Fire Prevention Requirements: An affidavit will be signed by you at closing as well as evidence of compliance presented, that smoke detectors and fire prevention systems have been installed in each unit in accordance with Massachusetts Law.

Occupancy Permits: Prior to the closing of each ~~condominium~~ unit, the Borrower shall submit evidence to the Lender's attorney that an occupancy permit has been duly issued by the City of Boston. Also, prior to ~~the closing of the construction loan, the~~ Borrower shall present satisfactory evidence that the ~~condominium~~ proposed ~~units~~ ^{are} exempt from the jurisdiction of the Boston rent equity board or ~~will be~~ ^{are} otherwise available for sale to a bonafide purchaser without legal impediments, other than resale restrictions imposed by the Massachusetts Housing Partnership or Boston Redevelopment Authority which shall be acceptable to the lender.

Right of Refusal: Borrower shall grant to the Lender the right of first refusal to make mortgage loans to the purchaser of each ~~condominium~~ unit.* A penalty of one percent of the gross selling price of each unit shall be added to the principal amount of the loan if said ~~condominium~~ units are financed by any other person or institution without waiver of said right by the Lender* provided the Lender has been approved by the Massachusetts Housing Finance Agency to originate said mortgages.

Deposit Account: Prior to the passing, Borrower will open and maintain a business checking account at the Lender's main banking office. All income or other amounts relating to the subject premises, including but not limited to retain-age funds, balance of unused advances and the net proceeds from the sale of each ~~condominium~~ unit, shall be deposited to the account. Lender reserves the right to charge monthly payments against this account.

*subject to the approval of the Massachusetts Housing Finance Agency.

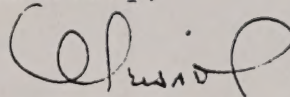
Right of Setoff: Any holder of a note issued pursuant to this commitment has the right under the law to set off any funds of Borrower or of any guarantor or endorser on deposit with the holder in the event of a default under the note. The Lender shall exempt the Borrower's third party and client escrow deposits from this provision.

Release of Units: Borrower agrees to apply 90% ~~gross~~^{net} proceeds of sale of each unit to the loan balance. ~~Sales price~~^{Net sales price} is defined as the sales amount less sales commission and legal fees, deed stamps, and recording fees.

This commitment may be terminated at the Lender's option, without liability on the Lender's part, if any of the terms and conditions contained herein are not complied with.

To make this commitment effective, please sign below as indicated and return a copy of this commitment, ~~whereupon the commitment will be in effect until~~ ^{whereupon} May 25, 1987. The Lender may close the loan as early as all conditions have been met.

Sincerely,



Chris E. Orok
Commercial Real Estate Officer

CEO:mp

The undersigned acknowledges receipt of the foregoing commitment, accepts its terms and conditions, ~~and herewith~~
~~repays \$29,200~~

Date Accepted: 5/22/87

Accepted By: 